

## **Punjab National Bank - Kazakhstan**

On September 8, 2011 took place the presentation of JSC “SB “PNB”-Kazakhstan” that was established as a private bank named “Danabank” on October 20, 1992 in Pavlodar city with an initial registered capital of 6 million 400 thousand rubles.

The Bank’s current paid up capital is KZT 10.5 Billion. It is a subsidiary of Punjab National Bank, the largest public sector bank in India with customer base of 63 million, more than 5200 offices, total business amounting to USD 126.84 billion and a net profit of USD 994 million (2010-11).

On December 13, 2010 Punjab National Bank acquired a controlling stake in the JSC “Danabank” of 64% and has increased it during the last month to 81%. The objective of this development strategy was to make Kazakhstan a focal point and base to expand banking footprints in Central Asia and Transcaucasia. The financial crisis of 2008 and subsequent erosion in assets prices of banks made this strategic alliance possible. The stable economic outlook for the future and growth of the financial sector, allowed PNB to strengthen its presence by investing in “Danabank” and pledging its experience in management to make a significant contribution to the economy of Kazakhstan.

Following the footsteps of parent Bank PNB India, the new entity quickly reoriented itself to comply with the regulatory requirement of additional capital and has augmented it to the desired level.

PNB-Kazakhstan may be categorized as a small bank at present yet the compact model is considered most adequate in terms of scalability which is most important factor for growth and expansion of a bank.

PNB-Kazakhstan is a universal commercial bank providing a wide range of services as per the license from the Committee on Control and Supervision of Financial Market and Financial Institutions of the National Bank of the Republic of Kazakhstan №1.1.159 of August 1, 2011. At present the Bank's branch network consists of five branches in the cities of Almaty, Taraz, Pavlodar, Karaganda and Astana.

Shares of JSC “SB “PNB”-Kazakhstan” are listed on the Kazakhstan Stock Exchange. The Bank is a member of the Association of Financial Institutions of Kazakhstan, The Kazakhstan Guarantee Fund (insurance), The Kazakhstan Mortgage Guarantee Fund and The Kazakhstan Stock Exchange.

Since 2005, the Bank was actively involved in co-financing measures to support agriculture sector and small and medium enterprises with the joint work of erstwhile JSC “Danabank” and the Foundation for Enterprise Development “DAMU” which resulted in providing loans for the total amount of 1.5 billion tenge. Many citizens of the Republic of Kazakhstan have also improved their living conditions with the joint work of the Bank with JSC “Kazakhstan Mortgage Company” which resulted in providing mortgage loans for the total amount of more than 300 million tenge. By being active participant in the country's economy, the Bank has

contributed in supporting domestic producers, creating new jobs, and generally promoting the progressive development of the Republic of Kazakhstan.

\*\*\*\*\*

For the last 19 years the JSC “SB “PNB”-Kazakhstan” (erstwhile JSC “Danabank”, founded in 1992) has successfully provided its financial services in the Republic of Kazakhstan. During this time, the Bank passed through several stages of development, evolving itself from a private bank to first, an open joint-stock bank, then to a listed joint-stock company and then in 2010 JSC “Danabank” became a part of the Punjab National Bank (PNB) group that commenced business on April 12, 1895 and which has never had an operating loss for 116 years in business. Using prudent banking practices as the main criterion, it successfully led the merger of seven weak banks to strengthen the financial sector in India. Dozens of representative offices and subsidiaries, as well as thousands of their branches operate in Europe, Asia and America.